



MIRCH - MIREX LIMITED

28TH ANNUAL REPORT AND STATEMENT OF ACCOUNTS 2000-2001

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**Annual General Meeting
on Friday the 28th December, 2001
at 3.30 p.m. at Janata Kendra,
Tulsiwadi, Tardeo, Mumbai 400 034**

MIRCH-MIREX LIMITED**MIRCH-MIREX LIMITED****FOR MEMBER'S ATTENTION**

1. The Register of members and the Share Transfer Books of the Company will remain closed from Monday 24th, December 2001 to Friday 28th, December, 2001 (Both days inclusive)
2. Members are requested to notify immediately any change in their address to the company, specifying full address in Block capital with pin code number of the post office.
3. Members are requested to quote folio Numbers in all their correspondence.
4. Members holding more than one share certificate in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates.
5. MEMBERS ARE REQUESTED TO SEND THEIR QUERIES ATLEAST TEN DAYS BEFORE THE DATE OF THE MEETING SO THAT THE INFORMATION SOUGHT BE MADE AVAILABLE AT THE MEETING.
6. Members are requested to bring their copy of the Annual report alongwith them to the Annual General Meeting, as Extra copies are not available.
7. Members are also requested to notify to the Company, their Income Tax Permanent account number and particulars of the Income Tax Office, where assessed/assessable.

BOARD OF DIRECTORS

1. Shri S.K.Ladha, Chairman
2. Shri K.S.Ladha
3. Shri S.Rege

BANKERS :

Bombay Mercantile Co-Op. Bank Ltd.
Jogeshwari Branch,
Mumbai-400 060.

AUDITORS :

R.B.Shah & Company,
Chartered Accountants

REGISTERED OFFICE :

Delstar, S.Patkar Marg
Mumbai - 400 036.

NOTICE :

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of Mirch Mirex Limited will be held at Janata Kendra, Tulsiwadi, Tardeo, Mumbai - 400 034 on 28th December 2001 at 3.30 pm. to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2001 and the Profit and Loss Account for the year ended on that date along with Directors and Auditors Report thereon.
2. To consider and if thought fit, to pass, with or without modification the following resolution as a Ordinary Resolution.

"RESOLVED THAT M/s. R.B.Shah & Co., Chartered Accountants, be and is hereby reappointed as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company on a remuneration of Rs. 25,000/-

3. To appoint a Director in place of Mr. S. K. Ladha who retires by rotation and being eligible offers himself for re-appointment.

BY ORDER OF THE BOARD

S.K.LADHA
CHAIRMAN

REGISTERED OFFICE :

Delstar, S.Patkar Marg
Mumbai - 400 036

Date : 7th Nov, 2001

Place : Mumbai

NOTES :

1. Register of members and the transfer books of the Company will remain closed from Monday the 24th, December to Friday the 28th, December (both days inclusive)
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of himself and such proxy need not be a member of the Company.

DIRECTOR'S REPORT

TO

The Members,

Your Directors present herewith the Twenty Eighth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2001.

FINANCIAL RESULTS

The working results of the Company for the year under review are as under :

	(Rs. in lacs)	(Rs. in lacs)
	2000-2001	1999-2000
Turnover/other income	7.11	67.96
Profit/(Loss) before interest depreciation and deferred charges	(8.78)	3.92
Interest & Deferred charges	0.12	0.12
Depreciation	0.73	0.99
Net Profit/(Loss) for the year	(9.63)	2.81

TWENTY EIGHTH ANNUAL REPORT 2000-2001

Your Directors regret their inability to declare any dividend due to brought forward losses.

OPERATION :

During the year the company has booked orders and executed the same mostly at third party workshop as our factory is not functional.

Your company entered into a lease agreement on 14-10-2000 with Jyoti Chemicals to take over a Barium Carbonate manufacturing facility for five years. Subsequent to lease company received legal notices for court due to default of Jyoti Chemicals. To avoid any legal complication management decided to withdraw with effect from 9-2-2001 from the said lease agreement resulting in a loss to company. This year accounts do not reflect the working of the project due to closure of the factory and non reconciliation of Accounts.

FINANCE :

Your directors are seeking fresh banking facilities for future operations of the company at present is working without Bank Finance which brings in severe financial constraint.

DIRECTORS :

1) Shri K. S. Ladha retires by rotation at the Annual General Meeting and being eligible offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 of the Companies Act, the Directors hereby confirm that :

I) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures ;

II) The Director have selected accounting policies and applied them consistently and made judgements and estimates that are resonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit or loss of the company for that period;

III) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of Company Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability;

IV) The Directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES :

No person was employed throughout the year who was in receipt of remuneration at the rate of not less than Rs. 12,00,000/- per annum or Rs.1,00,000/- per month if employed for part of the year.

INDUSTRIAL RELATIONS :

The Directors are pleased to inform that the Management's relations with the Company's employees during the year continued to be satisfactory. It is expected that the same cordial relations would continue in future.

ANNEXURE TO DIRECTOR'S REPORT

PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2001.

- A. Company has incurred a sum Rs. NIL on Electricity and Power.
- B. We do not have any R & D Department and also no Technology Absorption.
- C. In our opinion and based on information and explanations given to us, none of the directors are disqualified as on 31st March 2001 from being appointed as directors in terms of clause (g) of sub section (1) of section 274 of the companies Act, 1956.

AUDITORS :

M/s. R.B. Shah & Company, Chartered Accountants, Statutory Auditors of the Company retire and are eligible for reappointment. Notes referred to in the Auditors' report are self-explanatory.

FOR AND ON BEHALF OF THE BOARD

S.K.LADHA

CHAIRMAN

Date : 7th Nov, 2001

Place : Mumbai

MIRCH-MIREX LIMITED**REPORT OF THE AUDITORS TO THE MEMBERS OF
MIRCH-MIREX LIMITED**

We have audited the attached Balance sheet of MIRCH-MIREX LIMITED, as at 31st March, 2001 and also the annexed Profit and Loss Account of the Company for the year ended on that date and report as under :-

A. Despite carryforward losses resulting in total erosion of the net worth of the Company, the accounts for the year have been prepared on the assumption of a going concern concept basis.

B. Attention is also drawn to the following :

We are informed that during the year, the Company entered into a Memorandum of Understanding ("MOU") with M/S. JYOTI CHEMICALS, Mumbai ("the Firm"), a partnership firm, pursuant to which the Company took a Factory ("Unit") on lease along-with the plant and machinery and other infrastructure to carry on the business of manufacturing of Barytes based Chemicals, on the terms and conditions stated therein. As explained, the management operated the Unit for the period October, 2000 till February, 2001, for about four months.

However, in the month of February, 2001 as explained, it was brought to the notice of the management that said Unit was under charge of the Court Receiver, pursuant to the Court Order dated 5th July, 1996, passed by the Honourable High Court Bombay, in favour of the Bank of Maharashtra, to whom the Unit was mortgaged by the firm as securities against borrowings obtained by it, which fact was not brought to the notice while entering into the MOU.

It was further explained by the management that, to take the possession of the said Unit and other assets lying therein from the Firm and the Company, the Bank financed to M/s Jyoti Chemicals moved to the Debt Recovery Tribunal, Mumbai, who passed an Order dated 2nd February, 2001, inter alia, disregarding the lease MOU and not recognising company as a party.

In view of the above, it was explained that, the Company terminated the said MOU and closed all its operations, etc. after 9th February, 2001 and handed over the possession to the said firm.

It was further explained that, subsequently, the Honourable High Court, Bombay vide its Order dated 6th September, 2001, appointed a Court Receiver and all the assets were required to be handed over to him. In view of this, the Company could not remove its own assets, like stocks of Rawmaterials, Finished Goods & Stores, books of account and other records kept and maintained reflecting the state of affairs of the said Unit. Accordingly, books of account of the said Unit were not produced before us. Further, in the circumstances, the financial statements/accounts have been prepared without incorporating the transactions, accounts, assets, etc. in respect of the above Unit. We are informed by the management that as soon as the said records and details are made available, the same would be reconciled with the Books of account and other records and would be incorporated in the Books of account of the Company.

SUBJECT TO THE FOREGOING

1. As required by the Manufacturing and other Companies (Auditor's Report) order, 1988 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Subject to the comments referred in A and B above, we state that :
 - (I) We have obtained the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. (Except the Accounts of Units of the Company at Andhra Pradesh)
 - (II) In our opinion, in view of non accounting the transactions and affairs relating to the Unit as discussed in Paragraph A, proper books of accounts are not kept in respect of the said unit, as required by Law so far it appears from our examination of the books.
 - (III) The Balance Sheet and Profit and Loss Account prepared without incorporating the transactions and affairs of the said Unit, is in agreement with the Books of Accounts.
 - (IV) On the basis of Information and Explanation given to us and written representations received from Directors and taken on record by the Board of Directors. We report that none of the Directors are disqualified as on 31st March 2001 from being appointed as a Director in terms of clause (g) of sub-section 274 of the companies Act, 1956.
 - (V) In our opinion and to the best of our information and explanations given to us, the said Accounts Subject to Note Numbers (2) in respect of provision for gratuity (4) in respect of confirmation of balance due to and due from various parties, (7) in respect of disclose of expenses separately as required by part II of Schedule VI, (9) in respect of Redeemable Preference Shares and (10) in respect of amortisation for lease hold Land, in view of non availability of the books of account and other related records and thereafter non accounting the transactions and assets relating to the said Unit taken on lease in the circumstances discussed in the paragraph A here in above, the said accounts do not give complete information required by the Companies Act, 1956 in the manner so required and we are unable to form an opinion whether :
 - i) The Balance Sheet as at 31st March, 2001 gives a true and fair view or not of the state of affairs of the Company; and
 - ii) The Profit and Loss Account for the year ended on that date gives a true and fair view or not of the Loss reported.

For **R.B. SHAH & CO.**
Chartered Accountants,

(A.R.SHAH)
Partner

Place : Mumbai

Dated : 7th Nov, 2001